AMENDMENTS TO THE CLAIMS

- 1. (Currently amended) A security element comprising a magnetic layer and an embossed layer, the embossed layer having an embossed pattern of a particular shape producing an optical diffraction effect, characterized in that the magnetic layer is a soft-magnetic layer wherein at least part of the soft-magnetic soft-magnetic layer has the shape of the embossed pattern of the embossed layer whereby the , said embossed layer affects affecting the magnetic properties of the soft-magnetic layer [[and]] such that the effects are detectable externally of the security element.
- 2. (Original) A security element according to claim 1, characterized in that the security element further comprises at least a metal layer with a high specular reflectance.
- 3. (Original) A security element according to claim 2, characterized in that the metal layer with a high specular reflectance is chosen from aluminum, silver, chromium, gold or any other highly reflective metal layer or metal oxide such as titanium dioxide, niobium dioxide, tin oxide, indium oxide, indium-tin oxide or zinc oxide.
- 4. (Original) A security element according to claim 2 or 3, characterized in that the metal layer with a high specular reflectance is aluminum.
- 5. (Previously presented) A security element according to claim 1, characterized in that the security element further comprises an adhesive layer.
- 6. (Previously presented) A security element according to claim 5, characterized in that the adhesive layer comprises an a,b-ethylenically unsaturated carboxylic acid-based resin.
- 7. (Previously presented) A security element according to claim 1, characterized in that the embossed layer comprises an a,b-ethylenically unsaturated carboxylic acid-based resin.
- 8. (Previously presented) A security element according to claim 1, characterized in that the particular shape of the embossed pattern produces a hologram.

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- 9. (Previously presented) A security element according to claim 1, characterized in that the soft-magnetic layer comprises an alloy containing cobalt and niobium, together with a glass-forming element.
- 10. (Previously presented) A security element according to claim 1, characterized in that the soft-magnetic layer comprises an alloy containing cobalt, iron, silicon and boron.
- 11. (Original) A security element according to claim 10, characterized in that said alloy contains further nickel.
- 12. (Original) A security element according to claim 10, characterized in that said alloy has the formula

Co_a Fe_b Ni_c Mo_d Si_e B_f, where a is in the range of 35 to 70 atomic percent, b is zero to 8 atomic percent, c is zero to 40 atomic percent, d is zero to 4 atomic percent, e is zero to 30 atomic percent and f is zero to 30 atomic percent, with at least one of the group b, c, d and e, f being non-zero.

13. (Original) A security element according to claim 12, characterized in that said alloy has a composition (in atomic percent) in the range:

Co 35-70, Fe 2-7, Ni 10-35, Mo 0-2, Si 12-20 and B 6-12.

- 14. (Previously presented) A security element according to claim 9 or 10, characterized in that the security element has a single soft-magnetic layer.
- 15. (Previously presented) A security element according to claim 9 or 10, characterized in that the soft-magnetic layer has a coercive force in the range 3 A/m to 500 A/m.
- 16. (Previously presented) A security element according to claim 9 or 10 characterized in that the soft-magnetic layer is a non-work-hardened layer.
- 17. (Previously presented) A security element according to claim 1, characterized in that the soft-magnetic layer is a sputtered layer.
- 18. (Previously presented) A security element according to claim 1, characterized in that the effect on the magnetic properties of the soft-magnetic layer is at least a change in coercive force of 10% or a change in relative permeability of at least 10%.

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- 19. (Previously presented) A method for producing a security element according to claim 1, comprising the steps of:
 - (a) applying a release coating on a polymeric film carrier;
- (b) applying an embossable layer on the polymeric film which is used as a carrier; and
- (c) embossing the embossable layer with an embossed pattern of a particular shape producing an optical diffraction effect characterized by:
- (d) applying a soft-magnetic layer on the embossed face of the embossed layer, whereby the application step affects the magnetic properties of the soft-magnetic layer and the effects are detectable externally of the security element.
- 20. (Original) A method for producing a security element according to claim 19, comprising further the step of applying a metal layer with a high specular reflectance under, above or on both sides of the soft-magnetic layer.
- 21. (Original) A method for producing a security element according to claim 19 or 20, comprising further the step of applying an adhesive layer on the top of the different deposited layers.
- 22. (Previously presented) A method for producing a security element according to claim 19, characterized in that the shape of the embossed pattern of the embossed layer is only embossed on a single soft-magnetic layer.
- 23. (Previously presented) A method for producing a security element according to claim 19, characterized in that the material of the soft-magnetic layer has a coercive force in the range 3 A/m to 500 A/m.
- 24. (Previously presented) A method for producing a security element according to claim 19, characterized in that the soft-magnetic layer is a non-work hardened layer.
- 25. (Previously presented) A method for producing a security element according to claim 19, characterized in that the soft-magnetic layer is a sputtered layer.
- 26. (Previously presented) A method for producing a security element according to claim 19, characterized in that the effect on the magnetic properties of the soft-magnetic layer by

LAW OFFICES OF CHRISTENSEN O'CONNOR JOHNSON KINDNESS*** 1420 Fifth Avenue Suite 2800 Seattle, Washington 98101 206.682.8100 the application step is at least a change in coercive force of 10% or a change in relative permeability of at least 10%.

- 27. (Previously presented) A security document having a security element according to claim 1.
- 28. (Previously presented) A security document according to claim 27, characterized in that such security document is a bank note, a credit card or a cheque.
- 29. (Previously presented) A security document according to claim 27, characterized in that such security document is a label.
- 30. (Previously presented) A method for the manufacture of a security document having a security element comprising the step of affixing a security element according to claim 1 to a substrate.
- 31. (Original) A method according to claim 30 characterized in that the security element is affixed to the substrate on an essentially clear region thereof.
- 32. (Previously presented) A method including the step of detecting a change in the magnetic properties of the soft-magnetic layer caused by the embossed layer in a security element in accordance with claim 1.
- 33. (Previously presented) A security element according to claim 1 wherein the thickness of the soft-magnetic layer is in the range of 150-700 nm.

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